



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

DAVID E. JANSSEN
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

July 9, 2007

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Don Knabe
Supervisor Michael Antonovich

From: David E. Janssen
Chief Administrative Officer

SACRAMENTO UPDATE

State Budget

Sources in the State Capitol have advised our Sacramento advocates that the Big Five may meet later today, July 9, 2007.

Pursuit of County Position on Legislation

AB 1053 (Nuñez), as amended on June 27, 2007, provides for the allocation of the \$850 million Affordable Housing Initiative Fund in the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C). In our June 28, 2007 Sacramento Update, the County adopted an **oppose unless amended** position primarily because the bill allocated \$450 million for a grant program that narrowly limits a "qualifying infill project" to those located within an incorporated city, precluding unincorporated communities from qualifying for the competitive grant program.

Several amendments that affect the County have been proposed for the July 10, 2007 hearing in the Senate Committee on Transportation and Housing. These proposed amendments expand the definition of a qualifying infill project to include census designated places with a population density of at least 2,500 residents per square mile. Utilizing 2000 Census data, 35 of the County's 40 unincorporated communities that are census designated places would be covered under this proposed amendment. The five unincorporated communities that are census designated places with lower than required

population densities include Acton, Ladera Heights, Lake Los Angeles, Littlerock, and West Whittier. In addition, a dollar for dollar grant match provision was eliminated in favor of a requirement that the relevant legislative body make a finding that the funds are necessary for the economic viability and feasibility of the project and the improvements are of general community benefit.

The Community Development Commission (CDC) indicates that the proposed amendments address its principal concern regarding eligibility for the \$450 million grant program. Other areas of concern remain, including: 1) additional funds allocated to the Multifamily Housing Program should not be limited for use in "severely distressed public housing properties"; 2) funds should be made available for direct housing costs, including pre-development and environmental costs that are not eligible under other funding sources; 3) lower income thresholds would allow additional housing opportunities for individuals with lower incomes; and 4) allow communities with lower population densities to compete for the infill grant program.

CDC is recommending that the County support the proposed amendments, and we concur. Support is consistent with the Report of the County's Infrastructure Task Force and existing policy to: 1) support proposals that provide incentives to local government and/or developers to increase affordable housing; and 2) support for proposals to provide additional resources for meeting the capital and operational costs of housing production and related supportive service needs of low- and moderate-income families. **Therefore, our Sacramento advocates will support AB 1053 as proposed to be amended and continue to advocate for the remaining areas of concern as noted above.**

Status of County-Advocacy Legislation

County-supported AB 1252 (Caballero), which would establish the Housing-Related Park Program within the State Department of Housing and Community Development (HCD) passed the Senate Committee on Transportation and Housing on July 5, 2007 by a vote of 6 to 3. AB 1252 allocates \$200 million under Proposition 1C for housing-related parks in urban, suburban, and rural areas and requires HCD, in conjunction with the State Parks Department, to provide grants for the creation, development, or rehabilitation of community or neighborhood parks. AB 1252 is scheduled for a hearing on July 10, 2007 in the Senate Committee on Natural Resources and Water.

County-supported SB 732 (Steinberg), which would require the State Parks Department and the Sustainable Communities Council to establish competitive grant programs that would allocate specified funds under Proposition 84 and Proposition 1C,

Each Supervisor
July 9, 2007
Page 3

passed the Assembly Committee on Local Government on July 3, 2007 by a vote of 5 to 1. The bill allocates: 1) \$100 million for nature education and research facilities; 2) \$400 million for local and regional parks; 3) \$90 million for urban greening; 4) \$90 million for planning grants and planning incentives; and 5) \$200 million for housing-related parks in urban, suburban, and rural areas. SB 732 now proceeds to the Assembly Committee on Appropriations.

We will continue to keep you advised.

DEJ:GK
ML:DD:IGR:hg

c: All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants